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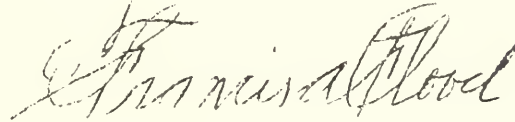
UNITED STATES DEPARTMENT OF AGRICULTURE  
Agricultural Adjustment Administration  
Alfred D. Stedman, Assistant Administrator  
Director, Division of Information and Records  
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TO FARM JOURNAL EDITORS:

For your use the following information has been prepared.



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#### BACK TO GRASS

American agriculture, which has developed to its present state of intensive efficiency under the spur of factors which no longer exist, should begin a definite and planned return to grass, to forage and pasture. It should go back, in part, to the grass foundation upon which it has developed through the years.

Secretary of Agriculture Wallace has appointed an inter-bureau committee to study the possibilities of a major shift in the national farming program, and the Department of Agriculture is urging farmers to increase their acreages of forage and pasture as they cut down their areas of cultivated crops.

More pasture and forage will accomplish several things that are of importance in the farmers' hope for recovery. The back to grass movement will help reduce the production of cash crops and keep the supply more nearly in line with demand with better prices resulting. It will lower the cost of producing meat, milk and wool. It will conserve fertility and diminish erosion.

"Experiments made by the Bureau of Dairy Industry indicate," according to Secretary Wallace's committee, "that it would pay many dairy farmers to change their system of farming to one in which they would keep more of their land in permanent pasture and legumes, and feed little if any grain. Cows fed a ration consisting entirely of good roughage will produce on the average about 70 percent as much as they will produce when fed a full grain ration. With good roughage, the dairy farmer can get production at a reduction in cost sufficient to compensate him for the drop in volume. These experiments indicate that limited grain rations or even roughage-alone rations would be more profitable than full grain rations in most regions, even though the market price of butterfat fluctuates widely. Obviously this general principle cannot be applied uniformly in all regions.



"In the crop-reduction contracts already in farmers' hands, the Federal Government has provided a substantial incentive for the shift to grass. Ultimately, it may be necessary to furnish additional incentives. For in this matter, as in so many other phases of the agricultural problem, collective interest does not always synchronize with individual interest.

"The Department recommends immediate action. Seed is available sufficient to plant some three million acres above normal to pasture. There is also enough seed in addition to plant about  $1\frac{1}{2}$  million acres above normal to alfalfa and sweet clover. However, the seed supply is far below what the situation requires. Farmers should save as much seed as possible this season for establishing pastures next spring."

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FARMERS EXEMPT FROM PLANTING  
IN DESIGNATED DROUGHT COUNTIES.

Wheat farmers in 85 designated counties in 7 States where unfavorable planting conditions obtain are exempted from making the minimum planting required in their wheat adjustment contracts under a recent ruling by the wheat section of the Agricultural Adjustment Administration.

The wheat adjustment contracts call for a minimum planting of 54 percent of the farmer's average past acreage. In certain counties in Colorado, Kansas, Texas, South Dakota, Montana, Idaho, and Oregon, however, where conditions are such that planting of wheat would be useless this requirement has been waived for the 1934 crop. More counties will probably be designated later.

Farmers who wish to take advantage of this exemption must make specific application which must be approved by their county allotment committee and by the wheat section of the Adjustment Administration. Special forms to cover the application for these exemptions are being prepared for forwarding to farmers in the affected areas.

The land thus released from wheat planting is subject to the general understanding that its use shall not conflict with any other contract a producer may have with the Adjustment Administration.

Following are the designated counties:

Colorado:

Adams, Arapahoe, Baca, Bent, Boulder, Cheyenne, Crowley, Douglas, Elbert, El Paso, Fremont, Huerfano, Jefferson, Kiowa, Kit Carson, Larimer, Las Animas, Lincoln, Logan, Morgan, Otero, Phillips, Prowers, Pueblo, Sedgwick, Washington, Wold, Yuma.

Idaho: Blaine, Twin Falls.

Kansas:

Barber, Clark, Comanche, Edwards, Ford, Finney, Gove, Grant, Gray, Greeley, Hamilton, Haskell, Hodgeman, Kearney, Kiowa, Lane, Logan, Meade, Morton, Ness, Pawnee, Pratt, Rush, Scott, Seward, Sheridan, Stafford, Stanton, Stevens, Thomas, Wallace, Wichita.





Montana: Valley

Oregon: Jefferson.

South Dakota: Armstrong, Beadle, Clark, Corson, Hand, Hughes, Kingsbury, Stanley, Haakon, Shannon-Washington, Lake-Miner, Bennett, Hyde, Sully, McPherson, Spink, Faulk, Brown.

Texas: Castro

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#### CORN LOANS CONTINUED

Government loans to farmers on farm warehoused corn will be continued until May 1, 1934, at the gross rate of 45 cents per bushel, under the same conditions under which the Commodity Credit Corporation has been loaning money to farmers on corn since last November, except that loans made after March 31 will be made only to farmers who actually have signed corn-hog contracts. The corn loan program was scheduled to expire on March 31, but the time extension has been made to continue the opportunity particularly in States where there had been delay in setting up warehousing machinery.

States affected by the extension of the loan offer are Nebraska, Kansas, Iowa, Illinois, Indiana, Ohio, Missouri, Colorado, South Dakota, and Minnesota.

Since practically all farmers have by this time had an opportunity to sign a corn-hog production control contract, those who apply for corn loans now will be required to furnish a certified statement, signed by the local corn-hog committee, that contracts have been entered into and signed.

By March 31 approximately 260 million bushels of corn had already been placed under seal for the purpose of obtaining loans through the Commodity Credit Corporation, or about 11 percent of the 1933 United States corn crop. Approximately \$112,000,000 had been loaned on this corn. Iowa led in amount borrowed with about 55 million dollars. The distribution in other States is about as follows: Illinois, 25 million; Nebraska, 23 million; Minnesota, 4 million; South Dakota, 2 million; Missouri and Indiana about 1 million each.

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#### FOREIGN IMPORT RESTRICTIONS EMPHASIZE NEED FOR PRODUCTION CONTROL

Germany's recent drastic restriction of lard imports in 1934 vitally affects the American hog producer and makes all the more necessary an adjustment of hog production in the United States.

Monthly imports of lard into Germany have recently been limited by the German government to 40 percent of the average imports for the corresponding months of 1931-33. The restriction began last month. This means that our lard exports to Germany during 1934 may not exceed 65 million pounds, as compared to 126 million in 1933, and an annual average of approximately 250 million pounds during the years just following the war. For a number of years the United States has had the bulk of the German lard import market, and Germany has been our second largest lard customer. This recent action, therefore, cuts off a considerable portion of our national pork exports.





England, also, continues to limit the volume of imports of pork products by means of periodical quotas. Our exports of bacon, hams and shoulders to the United Kingdom in 1933 were 56 percent under the 1926-30 average, and no considerable increase in exports of pork products to England is in prospect for 1934.

The German restrictions are caused by the effort of that government to encourage production of hogs at home so that the nation may become more nearly self-sufficient. The American government, however, is exploring all the practicable possibilities for expanding the market for hog products.

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#### COUNTY CONTROL COMMITTEES ARE A FORCE IN COMMUNITY

A service that transcends even the important task of administering locally the production control program is performed by the local county cotton control associations that have been formed throughout the South, in the opinion of Cully A. Cobb, chief of the cotton section of the Agricultural Adjustment Administration.

These associations will play an important part in the development of improved farming and better rural life and will cooperate with all existing agencies in promoting better farming. They will work with the extension service, vocational teachers, and others to make more effective local efforts in seed improvement, erosion control, soil conservation, improved feeding methods and better agriculture.

Local and county committeemen who have had charge of the cotton sign-up campaign in the South during the past several weeks will be awarded certificates of public service as a partial reward for their unselfish work and for their aid in helping to bring about better prices for cotton.

"The labor of these men has been worth much more than the small amount of money paid them to cover their actual expenses," says Mr. Cobb. "The local committeeman occupies a very responsible position. He must be fair to the grower and to the adjustment administration. He must be sure that each grower meets the requirements of his reduction contract and he must insist on absolute equality in handling the contract."

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#### EFFECTS OF WHEAT PROGRAM AS THEY APPEAR NOW

Evidence of the effects of the wheat production control sign-up is now being seen. The Crop Reporting Board, U. S. Department of Agriculture, has estimated the fall sowing of wheat for the 1934 crop as 41,002,000 acres, as compared with 42,692,000 acres sown the year before, and with 44,186,000 acres for the 1929-31 three-year average. The 1933 fall seeding is 7.2 percent less than the average fall seeding for the three-year base period, and 4 percent less than the 1932 fall seeding for the 1933 crop. (See Table I.)



TABLE 1. -- ACREAGE OF WINTER WHEAT SEEDED IN THE UNITED STATES

STATE	1929 *	1930 *	1931 *	3-year Average *	1932 *	1933 *	Percentage which 1933 is of 3-yr. average	Percent- age which 1933 is of 1932
Penna.....	1,001	935	898	945	893	902	95.4	101
Va.....	599	615	588	601	561	561	93.3	100
Ohio.....	1,884	1,730	1,592	1,735	1,865	1,790	103.2	96
Ind.....	1,687	1,727	1,499	1,638	1,622	1,671	102.0	103
Ill.....	2,065	1,927	1,601	1,864	1,713	1,850	99.2	108
Mich.....	715	712	698	708	833	808	114.1	97
Mo.....	1,424	1,605	1,553	1,527	1,413	1,554	101.8	110
Nebr.....	3,883	3,504	3,120	3,502	2,890	3,034	86.6	105
Kans.....	13,640	13,884	12,945	13,490	12,853	11,953	88.6	93
Okla.....	4,576	4,615	4,407	4,533	4,419	4,198	92.6	95
Tex.....	3,971	4,534	4,474	4,346	4,491	4,042	93.0	90
Colo.....	1,742	1,433	1,218	1,464	893	938	64.1	105
Wash.....	1,256	1,366	1,185	1,269	1,392	1,114	87.8	80
Mont.....	900	824	772	832	865	692	83.2	80
Idaho.....	761	647	701	703	669	636	90.5	95
Oregon.....	877	868	782	842	900	864	102.6	96
Calif.....	667	695	669	677	736	677	100.0	92
Other States	3,323	3,559	3,646	3,509	3,684	3,718	106.0	100.9
U. S.	44,971	45,240	42,348	44,185	42,692	41,002	92.8	96.9

\*(To save space, the "000" for hundreds was omitted from figures in these columns; to illustrate, the first figure in first column is 1,001,000.)

The condition of winter wheat on December 1 was 5.4 points better than on the same date in 1932, but was 9.6 points poorer than for December 1 for the 3-year base period 1929-1931 with a prospective abandonment of about 20 percent of the acreage sown. In 1933 the abandonment was 33.4 percent, and for the 3-year base period it was 10.2 percent. If the conditions which prevailed on December 1, 1933, continue, the total production of winter wheat in the United States in 1934 probably will be between 80 million and 85 million bushels larger than the production in 1933.

It appears likely that the total sowings of spring wheat in 1934 may be about 10 percent below the average for the 3-year base period, which would be about 18 percent less than the 1933 seeding. If this is true, and if the abandonment of acreage and the yield are about the same in 1934 as in 1933, the total production of spring wheat would be between 140 million and 150 million bushels in 1934, and the total production of all wheat would be about 50 million bushels more than in 1933. If the abandonment and yields are as they were even in 1931 (considered one of the worst years for spring wheat) the total production would still be between 10 million and 20 million bushels more in 1934 than in 1933.



On account of the short 1933 crop the total supply of wheat in the United States for the marketing year 1933-34 was considerably smaller than that for the previous year. The July 1, 1933, carryover was 386 million bushels, considerably more than the carryover on July 1 in any previous year.

The world's stock of wheat still remains large. Wheat importing countries are, through trade arrangements and special inducements of various kinds, becoming more and more self-sufficient in their home production of wheat, and wheat exporting countries have been increasing their acreages.

The volume of wheat used on our farms and by our mills in recent years is estimated to average about 620 million bushels annually, but for the current season it seems likely, because less seed will be required and because probably less wheat will be fed to livestock and the total use for domestic human consumption possibly will be somewhat less, that the requirements will be about 600 million bushels. If the domestic stocks of wheat are to be reduced in 1934 to the average level of the period 1920-28 the 1934 crop must be well below average or disappearance must increase markedly.

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The following, (A), shows a simple way for arriving at a rough estimate of what the total supply of domestic wheat may be in the immediate future in relation to demand. It assumes that the 1934 crop will be a comparatively small crop. In the last two years, large total amounts of our wheat have been used on the farm as feed for livestock and poultry. If such use continues on a large scale, this would have an important reducing effect on the size of the carryover. Also, if there should be a substantial increase in the volume of our exports of wheat and wheat flour, this would be another important factor in reducing the carryover.

(A). -- THE CARRYOVER OF UNITED STATES WHEAT ON JULY 1, 1935,--  
 ASSUMING THAT THE 1934 CROP WILL BE ANOTHER COMPARATIVELY  
 SMALL CROP, OR ONE OF ABOUT 575,000,000 BUSHEL.

Busbels

* CARRYOVER.....	386,000,000	-- The carryover as of July 1, <u>1933</u> .
Add.....	527,000,000	-- The 1933 crop (spring and winter wheat).
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Total.....	913,000,000	-- Total supply in the 1933 crop year.
Subtract.....	600,000,000	-- Domestic use for food and seed, with normal allowance for use as feed for livestock.
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Balance.....	313,000,000	-- The amount in excess of domestic needs.
Subtract.....	40,000,000	-- Net exports (estimated).
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* CARRYOVER.....	273,000,000	-- The carryover as of July 1, <u>1934</u> .
Add.....	575,000,000	-- The 1934 crop (estimated) on the reduced acre- age, assuming weather and yields will be similar to what they were in 1933.
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Total.....	848,000,000	-- Total supply in 1934 crop year (estimated).
Subtract.....	600,000,000	-- The total domestic requirements.
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Balance.....	248,000,000	-- The amount in excess of domestic needs.
Subtract.....	50,000,000	-- Net exports (estimated).
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* CARRYOVER.....	198,000,000	-- The estimated carryover on July 1, <u>1935</u> .

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\* (On the basis of the above figures, actual and assumed, the carryover is decreasing.)

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The following, (B), is similar to (A), -- but instead of assuming that the 1934 crop will be a comparatively low-yielding crop, it assumes that the 1934 crop will approach the 1932 crop in yield per acre. Generally speaking, the weather conditions were much more favorable for the 1932 crop than they were for the 1933 crop.

(B). -- THE CARRYOVER OF WHEAT IN THE UNITED STATES ON JULY 1, 1935,--  
ASSUMING THAT THE 1934 CROP WILL BE A COMPARATIVELY GOOD CROP  
IN YIELD PER ACRE.

Bushels

* CARRYOVER.....	386,000,000	-- The carryover as of July 1, <u>1933</u> .
Add.....	527,000,000	-- The 1933 crop (spring and winter wheat).
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Total.....	913,000,000	-- The total supply in the 1933 crop year.
Subtract.....	600,000,000	-- Domestic use for food and seed, with normal allowance for use as feed for livestock.
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Balance.....	313,000,000	-- The amount in excess of domestic needs.
Subtract.....	40,000,000	-- Net exports (estimated).
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* CARRYOVER.....	273,000,000	-- The carryover as of July 1, <u>1934</u> .
Add.....	700,000,000	-- The 1934 crop (estimated) on reduced acreage, assuming weather and yields will be similar to what they were in 1932.**
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Total.....	973,000,000	-- Total supply 1934 crop year (estimated).
Subtract.....	600,000,000	-- The total domestic requirements.
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Balance.....	373,000,000	-- The amount in excess of domestic needs.
Subtract.....	50,000,000	-- Net exports (estimated).
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* CARRYOVER.....	323,000,000	-- The estimated carryover as of July 1, <u>1935</u> .

\* (The size of the carryover is decreasing, but not as much as in (A).)

\*\* (The 1932 U. S. crop was about 744,000,000 bushels.)